

The complaint

Mr C complains that Scottish Equitable Plc trading as Aegon didn't "de-risk" his pension fund when he was close to retirement. He says his fund suffered a significant loss and this has impacted his retirement plans.

What happened

Mr C held a pension with Aegon from 2006 with monies invested in the "BGI 50/50 Lifestyle fund".

In 2022, Aegon sent Mr C information about his pension as he was approaching his selected retirement date – age 65 in July 2022. The fund had suffered a significant loss at around this time and by June 2022 Mr C was concerned enough about the value to contact Aegon via its website to discuss what was happening. Aegon's record of Mr C's contact shows that he wrote the following:

"Aegon claim that as retirement date draws near, funds are placed into secure, safe investments. My funds have until recent stable and generally rising. However since earlier this year, my pot has been falling sharply i.e. from £165k in February this to £136 today (13-06-2022), and it appears to be showing no sign of stopping its fall. This seems to be a drastic fall in fund."

Aegon treated this contact from Mr C as a complaint. And on 27 July 2022, Aegon issued its final response. It explained that it could not be held responsible for market volatility and provided a link with more information on its Lifestyle funds.

Aegon went on to explain it was not regulated to provide financial advice. However, it said it does provide annual statements to its customers which provides them with details as to how their fund is performing and the value.

The final response set out that Mr C had six months within which he could refer the complaint to our service. Mr C did not contact us within that time frame. Instead, Mr C decided to hold off taking his pension benefits in the hope that the fund would recover. But, unfortunately, it did not do so.

In October 2024, Mr C contacted Aegon again. He said:

"I wish to complain about how my pension is managed. You failed to de-risk my fund. Two months before my planned retire date [in July 2022]... my fund lost about 30%. It has been flat ever since."

Mr C then referred his complaint to our service.

Aegon said the complaint had been too late after its final response in July 2022 under the regulatory rules.

One of our investigators looked into matters and reached the following conclusions:

- The complaint in October 2024 related to issues of fund management and performance at the time of his intended retirement in July 2022. But these were matters that Aegon addressed in its final response letter in 2022. As Mr C did not refer matters to us within six months of receiving Aegon's final response in July 2022, our service doesn't have jurisdiction to consider those issues.
- The complaint in 2024 did also refer to fund performance *since* 2022. That is a *new* complaint point and one that we can consider.
- However, he didn't think Aegon had treated Mr C unfairly for events after July 2022. Aegon was not responsible for advising Mr C about investment strategy or fund performance.

Mr C did not agree with our investigator's findings and asked for his complaint to be referred to an ombudsman. He says he didn't complain in 2022 and he wasn't aware that Aegon had dealt with the contact he'd made as a complaint. He also maintains that market conditions don't adequately explain the loss to his pension fund and so Aegon can't have managed his fund properly.

What I've decided - and why - jurisdiction

This service's jurisdiction is determined by the Dispute Resolution ("DISP") rules in the FCA Handbook. DISP 2.8.2 states:

"The Ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service:

(1) more than six months after the date on which the respondent sent the complainant its final response, redress determination or summary resolution communication; or

(2) more than:

(a) six years after the event complained of; or (if later)

(b) three years from the date on which the complainant became aware (or ought reasonably to have become aware) that he had cause for complaint;"

Mr C's complaint in October 2024 says Aegon failed to "de-risk" his pension and that his fund has remained "flat" since.

Aegon says this is the same complaint Mr C raised in July 2022. It says it sent Mr C a final response on 27 July 2022, which included the right to refer a complaint to this service provided Mr C did so within six months of the date of that response. Mr C didn't refer matters to our service within that timeframe. As a result, Aegon believes the complaint made in October 2024 is now out of time.

So, the crucial issues are whether Mr C complained in July 2022 and, if he did, whether the complaint in October 2024 is the same as the previous complaint.

Mr C says he never complained in July 2022 and he wasn't aware that he was involved in a complaints procedure with Aegon at the time. I understand Mr C's point of view. He didn't specifically frame his contact with Aegon in July 2022 as a complaint. But DISP defines a complaint as follows:

“any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service... which:

- (a) alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and*
- (b) relates to an activity of that respondent”*

I think Mr C expressed dissatisfaction with the service provided by Aegon and alleged financial loss when he contacted it in July 2022. He was clearly unhappy with the fund's performance and management by Aegon at the time. So I think it's reasonable to conclude that Mr C *complained* to Aegon in July 2022. And I think Aegon made it very clear that it had treated his contact as a complaint by issuing its final response to Mr C's email address.

I also think Mr C's complaint in October 2024 is the same complaint about the alleged failure by Aegon to manage (“de-risk”) his pension at retirement that Mr C raised in July 2022. He effectively said on both occasions that his fund wasn't put in low-risk investments close to his retirement as he'd expected. And Mr C doesn't appear to dispute that the subject matter he complained about in October 2024 is what he was also concerned about in July 2022.

Mr C didn't refer the October 2024 complaint to us within six months of the final response in July 2022. And there are no exceptional reasons for the delay. So I think Mr C's complaint in October 2024 about the pension fund's performance and management at retirement in 2022 - the alleged failure to de-risk - has been made too late.

However, I think the complaint Mr C made to Aegon in October 2024 also includes a complaint about the ongoing performance of his pension fund since July 2022. Mr C says that the fund has remained “flat” since that time, which I consider to be an expression of dissatisfaction alleging a continued loss. Aegon's final response sent in July 2022 only addressed the performance of the pension fund and the drop in its value up to that point, it did not address the fund's performance since July 2022. Therefore, this is a new matter that wasn't the subject of the final response and isn't time barred.

So, I'll now go on to consider the merits of the part of Mr C's complaint that relates to events after July 2022.

Whilst I've explained why I can't consider some parts of Mr C's complaint relating to events in 2022, it may be informative for him to know that much of what I say below would nevertheless *likely* equally have applied.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Aegon was the administrator of Mr C's pension plan. Aegon was not providing Mr C with pension advice, so it was not responsible for advising him on the suitability of any investment strategy for his particular needs. It was for him to take advice from others if he wanted to.

Mr C was invested in Aegon's lifestyle fund. These types of fund aim to initially grow and then, towards retirement, preserve the value of the fund in preparation for purchasing a fixed income at retirement. At the latter stages – including if funds remain invested after normal retirement date - investments will be more heavily weighted in long term gilts or bonds as they are seen as being safer than equities and have an inverse relationship with annuity rates.

I've seen nothing to suggest that Aegon managed Mr C's lifestyle fund inappropriately or unfairly. There are risks with any investment that can impact a fund's value – as I think has happened with Mr C's fund. There has been uncommon volatility in gilts and bonds markets that led to the falls in value Mr C experienced. Both Aegon and our investigator have given Mr C some context about this and so I don't repeat it here. But the volatility did not just affect Aegon – and was a theme throughout the pension investments markets.

Aegon was responsible for providing Mr C with information to enable him to make informed decisions. Ultimately, it fell to Mr C to monitor his pension investments and seek financial advice as prompted in the statements that Aegon sent to him after 2022. Each statement reminded Mr C that if he wanted to review his pension, he should speak to a financial adviser and told him how he might be able to find one. They also explained that Mr C could use the online portal to review and change funds but may wish to seek financial advice before doing so.

Mr C has told us he remained invested with the same Aegon funds after July 2022 as he hoped the fund value would recover. I'm sorry that the value didn't get better, but the Aegon statements reminded Mr C that the value of his investments wasn't guaranteed and could fall as well as rise.

Of course, Mr C has my natural sympathy. His fund hasn't performed well in recent years. But for the above reasons, I don't think Aegon has treated Mr C unfairly during the time period I'm looking at. So I don't uphold Mr C's complaint.

My final decision

I don't uphold Mr C's complaint that Scottish Equitable Plc (Aegon) managed his pension fund unfairly after July 2022.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 August 2025.

Abdul Hafez
Ombudsman